WEEKLY ECONOMIC REVIEW

April 20, 2007

Alberta's inflation accelerated to 5.5% in March from last year due to higher home replacement costs (34.3%) and gasoline prices (23.5%). Our core inflation increased by 4.9% in March. Alberta's CPI excluding shelter increased by only 2.2% in March from a year ago.

Inflation in Canada rose by 0.8% in March on account of higher gasoline prices and housing costs. Core inflation increased to 2.3% in March, the third month in a row with a rate above the Bank of Canada's target of 2%.

U.S. all-items CPI rose sharply by 0.6% in March, due to increases in energy costs. In the first quarter, all-items inflation was up by 2.4%, while core inflation increased by 2.6%.

Alberta's manufacturing shipments advanced by 0.6% in February, due to higher petroleum and coal shipments. However, 12 of 21 industries posted declines with the largest drop in machinery (-8.6%). Canadian manufacturing shipments were down in February as a result of a railway strike and a refinery fire.

Alberta retail sales declined by 0.4% in February due to weak sales at new car dealers. However, retail sales posted double-digit growth of 10.2% year-to-date. Canadian retail sales rose 0.1% versus expectations of a 0.1% decline.

Cdn Dollar (C¢/US$)

Apr	20, 2007	89.1¢
Apr	13, 2007	87.9¢
2007-08		87.6¢

WTI Oil US$/bbl

Apr	19, 2007	$61.83
Apr	12, 2007	$63.85
2007-08		$63.52

Nymex Natural Gas CS/mcf *

April Contract

Apr	20, 2007	$8.30
Apr	13, 2007	$8.92

*Estimate based on Nymex Futures Market Price

The Canadian dollar climbed above 89 cents with better-than-expected retail sales data and some recovery in commodity prices.

Following a decline of 30% in the first quarter of 2007, U.S. housing starts are exhibiting tentative signs of stabilization.

China's economy grew by 11.1% in the first quarter of 2007 over the same quarter last year. Also, inflation increased by 3.3%, the highest in over two years. The prospects for higher interest rates in China weighted heavily on commodity prices, including oil.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
Consumer Price Index (1997=100)	**March**			
Alberta	144.5	1.1%	5.5%	4.8%
Canada	132.3	0.8%	2.3%	1.8%
United States (1982-84=100)	205.1	0.6%	2.8%	2.4%
Manufacturing Shipments ($ Millions)	**February**			
Alberta	5,508	0.6%	4.1%	2.5%
Canada	48,545	-0.2%	0.1%	-1.0%
New Motor Vehicle Sales	**February**			
Alberta	21,062	-4.6%	1.7%	5.9%
Canada	137,443	-3.7%	0.5%	2.4%
Retail Trade ($ Millions)	**February**			
Alberta	4,900	-0.4%	9.2%	10.2%
Canada	33,321	0.1%	5.2%	4.9%
Housing Starts (thousands)	**March**			
United States	1,518	0.8%	-23.0%	-29.8%

Source: Statistics Canada

1Year-to-date 2007 compared to the same period in 2006;